



DEFENSE LOGISTICS AGENCY
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IN REPLY
REFER TO

J3
PROCLTR 03- 12

JUL 07 2003

MEMORANDUM FOR PROCLTR DISTRIBUTION LIST

SUBJECT: Documentation of the Source Selection Tradeoff Determination, Defense Logistics Acquisition Directive (DLAD) 4501.1, Section 15.308

This PROCLTR provides new DLAD coverage as to what constitutes adequate documentation of tradeoff rationale in preparation of the Source Selection Authority's Decision Document (SSDD). The goal is to address concerns raised by buying activities concerning GAO decisions, and to provide DLAD coverage to help clarify and standardize source selection decision documentation for Defense Logistics Agency (DLA) buying activities.

Specific reference is made to General Accounting Office (GAO) Report B-289942.2, Johnson Controls World Services, Inc., dated May 24, 2002. This protest was sustained because the source selection authority's "best value" determination was flawed; it was supported by insufficient information and analysis in the record to determine that the award selection was reasonable.

New DLAD guidance expands upon Federal Acquisition Regulation 15.308, and clarifies the need for point-by-point qualitative comparisons of proposals with the source selection criteria listed in the solicitation. Rationale for business judgments or tradeoffs must include a detailed comparative analysis of the strengths and weaknesses of the proposals relative to all factors and subfactors listed in the solicitation which must not contain mere conclusory statements. Written documentation of this review and assessment must be included in the SSDD.

This PROCLTR is effective immediately, and remains in effect until it is incorporated into the electronic DLAD. The point of contact is Ms. Mary Jo Fehr, J-3312, DSN 427-3154 (703) 767-3154, or via email to mary.fehr@dla.mil.

CLAUDIA S. KNOTT
Senior Procurement Executive



SUBPART 15.3 - SOURCE SELECTION

15.301 Definitions.
15.303 Responsibilities.
15.304 Evaluation factors and significant subfactors.
15.304-90 Automated best value system.
15.305 Proposal evaluation.
15.308 Source Selection Decision

SUBPART 15.4 - CONTRACT PRICING

15.305 Proposal Evaluation.

15.308 Source Selection Decision

(90) (a) The Source Selection Authority (SSA) must perform the analysis and make the source selection decision. The Source Selection Authority's Decision Document (SSDD) must identify and evaluate the significant differences between proposals, and assess relative value.

(b) The rationale and justification for business decisions and non-cost/technical tradeoff determinations must be reasonable, consistent with evaluation factors listed in the solicitation, and adequately documented. "Adequately documented" means written point-by-point qualitative comparisons of the solicitation's source selection criteria with the offer, and the rationale for any business judgments or tradeoffs. (Specific reference, to include page and paragraph numbers, is useful during review.) The rationale must include a comparative analysis of offerors' relative strengths and weaknesses in all factors and sub-factors and their advantages or disadvantages to the Government. There is no requirement to give credit for special features of a proposal, if it has been reasonably determined and documented that such features will not make a meaningful contribution or better satisfy government needs. (See 15.308(91).)

(c) The SSDD should not contain conclusory statements, partial comparisons, or generalizations. For instance, use quantities or percentages, rather than the generalized "many."

(d) When planning highly complex acquisitions, establishment of a formal Source Selection Advisory Board (SSAB) or Source Selection Advisory Council (SSAC) is suggested. The board should consist of members with relevant expertise who may also serve as members of the

non-cost evaluation team. The SSAC or SSAB performs the comparative analysis and makes a recommendation per (e) below.

(e) When the SSA is other than the contracting officer, the contracting officer and/or evaluators with relevant expertise will evaluate the proposals in their respective areas and provide written documentation of the results. The documentation of non-cost factors must include a rating that reflects the strengths and weaknesses of the proposals. Cost/price documentation must include details on the cost/price proposals, cost/price differences, and cost/price reasonableness. The SSA may use one of the following three procedures in making the Source Selection Decision:

(1) The SSA solely performs the comparative analysis. The SSA will perform the comparative analysis of the cost/price, technical, past performance, socioeconomic, and other non-cost factors of each offer determined by the contracting officer to be within the competitive range. The SSA will write the SSDD. The SSDD will document the differences among the offers, including strengths and weaknesses, and the advantages or disadvantages to the Government. This integrated assessment of the offers will include the benefit of any cost/price trade-off, detailing the rationale for selecting the awardee over the other offerors. The analysis must be consistent with the source selection criteria in the solicitation.

(2) The contracting officer performs the comparative analysis first, and makes a recommendation to the SSA. The contracting officer will evaluate the proposals and provide written documentation of the analysis and recommendation for the SSA that will be a summary of all offers, recommend factors that may be considered as particularly valuable in a tradeoff analysis and suggest a potential awardee. The SSA should then read the supporting documentation, review the rating, independently extrapolate and evaluate tradeoff options, and come to an independent conclusion that need not be the same as the one suggested by the contracting officer. The SSA will then write the SSDD. The SSDD will document the differences among the offerors, including strengths and weaknesses, and the benefit or lack of benefit to the Government. This integrated assessment of the offers will include the benefit of any cost/price trade-off, detailing the rationale for selecting the awardee over the other offerors.

(3) The contracting officer drafts the SSDD. The contracting officer will perform the comparative evaluation and document the file on the cost/price and non-cost factors. The contracting officer will also draft the SSDD for the SSA. The SSDD will document the difference between the offerors, including strengths and weaknesses, and the benefit or lack of benefit to the Government. This integrated assessment of the offers will include the benefit of any cost/price trade-off, detailing the rationale for selecting the awardee over the other offerors. The SSA must perform an independent review and evaluation. If the SSA concurs with the contracting officer's suggestion, the SSA may adopt that decision by signing the

document. The SSA may reject the contracting officer's draft. Then the SSA may write the SSDD or edit the draft SSDD to reflect the SSA's independent conclusion. The analysis must be consistent with the source selection criteria in the solicitation.

(f) If the contracting officer is the SSA, the content requirement of the SSDD is the same.

(g) If the solicitation requires a determination of price realism, this determination is made following the cost/price and non-cost evaluations. Realism decisions must also be fully documented

(91) Specific features included in a proposal may be reasonably determined to provide no meaningful satisfaction of government needs or to be of no benefit to the government under the solicited requirement. When the SSA determines that one or more features provide no additional benefit to the government, the decision documentation must provide the rationale and justification for the determination.

(92) The SSDD does not need to be a lengthy document, but it needs to:

- (i) Describe the solicited requirement.
- (ii) Specify the number of offers included in the competitive range.
- (iii) Name the offerors.
- (iv) List non-cost evaluation factors and subfactors and their relative importance as cited in the solicitation.
- (v) List each offeror's overall factor ratings and subfactor ratings. Include cost/price in the listing.
- (vi) Provide a narration comparing the non-cost rating of each proposal, to include the strengths and weaknesses.
- (vii) Describe the business justification, and/or cost benefit analysis of the best value decision.
